



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

SB0510 - Provide property tax incentives for alternative fuel production (Fitzpatrick, Steve)

Status: As Amended in House Committee

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: SB 510, as amended, adds renewable diesel production facilities and sustainable aviation fuel production facilities to the list of facilities that are eligible for the energy production or development property tax abatement. These facilities apply for abatement through the Department of Environmental Quality (DEQ) and, if approved, are assessed at 50% of their taxable value. The property of qualifying facilities that commences construction after December 31, 2022, is eligible for tax abatement. No property currently meets this criteria, so there is no fiscal impact to the state.

FISCAL ANALYSIS

Assumptions:**Department of Revenue**

- SB 510, as amended, moves the construction commencement date that determines eligibility for the energy production or development property tax abatement from December 31, 2020, to December 31, 2022. Due to the amendment, there are no existing facilities that would be eligible for abatement, so there is no fiscal impact to the state.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$0	\$0	\$0	\$0
TOTAL Expenditures	\$0	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

~~NO SPONSOR SIGNATURE~~
NO SPONSOR SIGNATURE

Sponsor's Initials

4.27.23

Date



Budget Director's Initials

4-26-23

Date